

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/25/2016	(3) CONTACT/PHONE Pete Newel, Resident Engineer (805) 781-5281	
(4) SUBJECT Request to 1) ratify Public Works' approval of Contract Change Order Nos. 1 - 4 to the agreement with Whitaker Construction Group, Inc., in the amount of \$205,699, for the Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach; 2) approve Contract Change Order No. 5 in the amount of \$23,601, Contract Change Order No. 6 in the amount of \$310,698, and Contract Change Order No. 7 with an estimated reduction of \$650,000; 3) approve the revised plan sheet eliminating Rock Dowel Wall No. 1; and 4) authorize the Director of Public Works, or his designee to execute and process the change orders. District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Ratify Public Works' approval of Contract Change Order Nos. 1 – 4 to the agreement with Whitaker Construction Group, Inc., in the amount of \$205,699.64, for the Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach CA Contract No. 300464 (Federal Project No. RPLCML-5949(074); and 2. Approve Contract Change Order No. 5 in the amount of \$23,601.58, Contract Change Order No. 6 in the amount of \$310,698.42, and Contract Change Order No. 7 with an estimated reduction of \$650,000; and 3. Approve the revised plan sheet eliminating Rock Dowel Wall No.1; and 4. Authorize the Director of Public Works, or his designee to execute and process the change orders. 			
(6) FUNDING SOURCE(S) Regional State Highway Account, Federal Surface Transportation Improvement Program, Federal Congestion Mitigation Air Quality and the Road Fund	(7) CURRENT YEAR FINANCIAL IMPACT Estimated Project Costs = \$7,677,816.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 04/19/16; #15	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 3			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Pete Newel, Resident Engineer
Michael Britton, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 10/25/2016

SUBJECT: Request to 1) ratify Public Works' approval of Contract Change Order Nos. 1 - 4 to the agreement with Whitaker Construction Group, Inc., in the amount of \$205,699, for the Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach; 2) approve Contract Change Order No. 5 in the amount of \$23,601, Contract Change Order No. 6 in the amount of \$310,698, and Contract Change Order No. 7 with an estimated reduction of \$650,000; 3) approve the revised plan sheet eliminating Rock Dowel Wall No. 1; and 4) authorize the Director of Public Works, or his designee to execute and process the change orders. District 3.

RECOMMENDATION

It is recommended that the Board:

1. Ratify Public Works' approval of Contract Change Order Nos. 1 – 4 to the agreement with Whitaker Construction Group, Inc., in the amount of \$205,699.64, for the Widening of Price Canyon Road between Ormonde Road and Highway 227 near Pismo Beach CA Contract No. 300464 (Federal Project No. RPLCML-5949(074); and
2. Approve Contract Change Order No. 5 in the amount of \$23,601.58, Contract Change Order No. 6 in the amount of \$310,698.42, and Contract Change Order No. 7 with an estimated reduction of \$650,000; and
3. Approve the revised plan sheet eliminating Rock Dowel Wall No.1; and
4. Authorize the Director of Public Works, or his designee to execute and process the change orders.

DISCUSSION

Price Canyon Road is a regional arterial roadway serving as an alternate route to State Highway 101 for traffic between San Luis Obispo and the Five Cities. The project to widen Price Canyon Road was originally initiated in 1999, with the intent of widening the road from Ormonde Road to Highway 227, resulting in a roadway with full eight-foot shoulders from the Pismo Beach City limits to Highway 227

in Edna.

This contract was awarded by the Board to Whitaker Construction Group, Inc., of Paso Robles, CA on April 19, 2016, in the amount of \$5,126,236.40. The contract was started on July 5, 2016, and the work is approximately 22% complete. The contract award included a contingency budget authorized by the Board, of \$512,624. To date, Public Works has approved four (4) change orders, in the amount of \$205,699.64. This action seeks to ratify these approved change orders and authorize approval of three additional change orders (CCO's 5-7). These change orders are summarized below.

I. Executed Contract Change Order Nos. 1-4

Contract Change Order No. 1 is the standard change order for additional Flagging and Traffic Control work to ensure contractor performance on timely and safe travel through the work zone.

Change Order No. 2 compensated the contractor for tree relocation, and for the costs to remove additional trees not identified in the original plan set. Early in construction, a manzanita tree that was thought to be outside the area of construction was determined to be in the way. The manzanita (a protected species) cannot be eliminated at this site so actions were taken for the tree to be carefully removed and relocated.

Change Order No. 3 was created in order to build a gravel foundation for embankment fill, and for installation of a French drain to accommodate additional adjacent drainage. This change order is estimated at \$3,000, and is pending execution at this time.

Change Order No. 4 is for a Cost Reduction Incentive Plan (CRIP). Early on in construction, the Contractor noted that the quantity of material needed for the Geosynthetic Reinforced Earth (GRE) wall is greater than that amount listed on the bid sheet. They provided documentation which exhibited that the cost of the wall, with quantity busts included, were greater than if the GRE wall were replaced in total with a Mechanically Stabilized Earth (MSE wall). So while the Change order shows an increase of \$117,699.64, the original scope with quantity errors would have cost approximately \$262,922.96. The decision was made to substitute the GRE design with a lower cost alternative MSE wall resulting in approximately \$66,176.63.

II. Proposed Contract Change Order Nos. 5-7

During project development and preparation of construction plans, County staff consulted with a geotechnical engineer to determine if soils excavated within the project had any potential to be reused as fill. Analysis determined that, if the bituminous content of the existing material were kept to a low percentage, the soil could be reused. However, early on in construction, the Contractor excavated material that appeared to have bituminous material well above the levels detected in the geotechnical report and allowable for reuse. As the Contractor placed the material, it was becoming more and more difficult to meet the required specifications for placement of road embankments. This increase in effort is resulting in potential delays and additional labor costs. Testing of the materials found oil content from 3.77% to greater than 11% - and it is likely this high hydrocarbon content will create additional work in road embankment construction. As a result, it has been determined it will be more cost effective for the soil to be excavated and disposed of in a proper disposal facility and new soil to be imported in order for the construction of the roadway embankments to be completed.

Change Order No. 5 will facilitate the placement of clean import soil to be used as fill material around the remaining Environmentally Sensitive Areas (ESA's). This work needs be completed prior to October 31st, due to permit conditions, and would allow the Contractor to bring in approximately 350 cubic yards of material and finish the work as required.

Change Order No. 6 has been written to allow the Contractor to excavate and dispose of the soil containing bituminous materials, and to haul in clean soil as required to finish all of the fill slopes. The proposed source of import material and disposal of site material is the Cold Canyon Landfill located approximately three miles from the site. With the approval of this change order, the Contractor would bring in approximately 4,650 cubic yards of clean material.

The cost of the excavation, disposal and import work would deplete the available contingency budget, and has resulted in the project team searching for cost savings on the remainder of the work. As a result, it was determined that a rock bolt wall, intended to stabilize an existing excavated slope, could be deleted from the contract and minimal grading could be done to meet the scope of the project and fall within site constraints.

Accordingly, approval by your Board of Change Order No. 7 and the associated plan sheet would eliminate the rock bolt wall from consideration of construction. This change order would save the County an estimated \$650,000, and provide a contingency budget of approximately \$620,000 to conclude the work. The attached plans show how the slope would be constructed and meet the goals of the project.

Under Public Contract Code (PCC) section 20142, the Board of Supervisors may authorize the Public Works Director or his designee to approve, in writing, change orders, provided the aggregate value of such change orders does not exceed a prescribed percentage based on the original contract amount, as awarded by the Board. A construction contract change order or aggregate of multiple change orders for this project is limited by PCC 20142 to no more than \$210,000.

The following Contract Change Orders will require approval with this Board action:

CCO No.	Description	Estimated Cost
CCO 1	Traffic Control (including Supplement No.1)	\$ 80,000.00
CCO 2	Transplant Manzanita and Tree Removal	\$ 5,000.00
CCO 3	Fill Foundation Rock and French Drain (pending)	\$ 3,000.00
CCO 4	GRE to MSE Cost Reduction Incentive Proposal	\$ 117,699.64
CCO 5	Placement of Clean Fill in ESA	\$ 23,601.58
CCO 6	Export of Bituminous Soil/Import Clean Borrow	\$ 310,698.42
CCO 7	Elimination of Rock Dowel Wall No.1 (pending)	\$ (650,000.00)
TOTAL		\$ (110,000.36)

CCO No. 5 would cause aggregate change order values to exceed \$210,000. And the value of CCO No. 6 and CCO No. 7, individually, exceed \$210,000. Therefore, in accordance with Public Contract Code 20142, approval of the proposed Contract Change Order Nos. 5, 6, and 7 require your Board's approval.

OTHER AGENCY INVOLVEMENT/IMPACT

Caltrans has been consulted and concurs with the change orders. Caltrans is expected to authorize reimbursement under the State Transportation Improvement Program (STIP) and Congestion Mitigation and Air Quality (CMAQ) Program for CCO Nos. 1-7 for cost reimbursement.

San Luis Obispo Council of Governments has programmed the funding for the project under both the STIP and CMAQ programs.

FINANCIAL CONSIDERATIONS

This is a multi-year project in the Road Fund at \$7,741,000 – WBS 300464. The total project costs are estimated at \$7,677,816, including contract change orders 1-7 and the construction contingency of \$622,624. Funding for this project will come from Regional State Highway Account (RHSA), Federal Surface Transportation Improvement Program (STIP), Federal Congestion Mitigation Air Quality (CMAQ) and the Road Fund.

Please see Exhibit "A" for an estimated cost breakdown of the project.

RESULTS

Approval of the recommended actions authorizes the implementation and payment for the recommended improvements and authorizes the Director to approve future change orders for proper completion of the work as contemplated, in conformance with state statutes. The immediate result of the recommended action will be the continued construction of this project, which will improve the roads for the safety of the motoring public and bicyclists. This, in turn, will result in a safer, more livable and well governed community.

ATTACHMENTS

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Contract Change Order Nos. 1-7
4. Revised Plan Sheet

c: Construction Engineer

File: 300464

Reference: 16OCT18-C-3

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